



2004 MAINE ESTATE TAX RETURN

FORM 706ME

FOR ESTATES OF DECEDENTS DYING DURING CALENDAR YEAR 2004.

This return is due nine months after the date of death.

0410010₀₀

STEP 1

☐ Check here if this is an amended return

ESTATE OF: FIRST NAME M.I. LAST NAME

SOCIAL SECURITY NUMBER (SSN)

DATE OF DEATH

DOMICILE AT DATE OF DEATH: STREET ADDRESS

MM DD YY

CITY/TOWN

STATE

ZIP CODE

COUNTY

NAME OF PERSONAL REPRESENTATIVE OR PERSON IN POSSESSION OF DECEDENT'S PROPERTY (FIRST, M.I., LAST):

PERSONAL REPRESENTATIVE'S SSN

TELEPHONE NO.

PERSONAL REPRESENTATIVE'S MAILING ADDRESS

CITY/TOWN

STATE

ZIP CODE

STEP 2

Authorization is granted to the representative listed below to receive copies of confidential tax information under 36 M.R.S.A. § 191 and to act as the estate's representative before Maine Revenue Services.

FIRM NAME

CONTACT PERSON: FIRST

M.I.

LAST

MAILING ADDRESS

CITY/TOWN

STATE

ZIP CODE

TELEPHONE NO.

STEP 3

Decedent's Maine Residency Status (check one)

☐ Resident

☐ Nonresident

STEP 4

TAX COMPUTATION

1. Gross value of property taxable by Maine 1 **.00**
2. Value of total gross estate for federal estate tax purposes (Line 1, federal Form 706) 2 **.00**
3. Percent of property taxable by Maine (Line 1 divided by line 2, expressed as a decimal to six places) 3 **.00**
4. Taxable estate for federal tax purposes (Line 3, federal Form 706) 4 **.00**
5. Adjusted credit for state death taxes (*see instructions*) 5 **.00**
6. Death taxes paid to another state (Residents only - attach copy) 6 **.00**
7. Net state death tax credit (Line 5 minus line 6) 7 **.00**
8. Maine Estate Tax (See instructions) 8 **.00**

DO NOT STAPLE OR BIND RETURNS

8. Maine Estate Tax (From line 8, page 1)	8	_____	_____	_____	_____	.00
9. Payments:						
a. Estimated tax	9a	_____	_____	_____	_____	.00
b. Tax paid with extension	9b	_____	_____	_____	_____	.00
c. Paid with original return (amended returns only)	9c	_____	_____	_____	_____	.00
d. TOTAL PAYMENTS	9d	_____	_____	_____	_____	.00
10. Interest	10	_____	_____	_____	_____	.00
11. Failure-to-file penalty	11	_____	_____	_____	_____	.00
12. Failure-to-pay penalty	12	_____	_____	_____	_____	.00
13. Total Due (line 8 minus line 9d plus lines 10, 11 and 12)	13	_____	_____	_____	_____	.00
14. Refund Due (line 9d minus line 8)	14	_____	_____	_____	_____	.00

STEP 5

Filing status of IRS Form 706 for this estate (check one)

☐

Not Required (Attach copy of pro forma Form 706)

☐

Required (Attach copy of federal Form 706)

Whether or not a federal return is required, you may still owe Maine estate tax. See instructions for filing requirements.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements and to the best of my knowledge and belief they are true, correct and complete. Declaration of preparer is based on all information of which preparer has any knowledge.

Signature of executor or personal representative

Date

Signature of preparer other than personal representative

Preparer's SSN or PTIN

Date

Firm's name (or yours if self-employed)

Preparer's address

Preparer's phone number

Make check payable to: Treasurer, State of Maine

MAIL TO: MAINE REVENUE SERVICES
P.O. BOX 1068
AUGUSTA, ME 04333-1068



INSTRUCTIONS
2004 MAINE ESTATE TAX RETURN
(36 M.R.S.A. §§ 4061, et seq.)

IMPORTANT NOTICE!

For estates of decedents dying in 2004, Maine has partially decoupled from federal estate tax law. For Maine estate tax purposes, you must recalculate, on a federal Form 706, the state death tax credit using a unified credit of \$287,300 and ignoring the additional 75% reduction in the state death tax credit. All other federal estate law provisions apply to Maine estates. These recalculations are referred to below as being completed on a "pro forma" federal Form 706.

Step 1 Enter all required information. Failure to fully complete this section will delay the processing of the return. If a personal representative has not been appointed, qualified and acting in the United States, every person in actual or constructive possession of any property of the decedent is considered a personal representative and must file a return. A personal representative can also be known as an executor or any other individual legally responsible for administration of the estate. If there is more than one personal representative, fill in the information for one and attach a schedule listing them all.

Step 2 This section must be completed if you choose to have copies of confidential tax information sent to anyone other than the personal representative, such as the preparer of Form 706ME.

Step 3 Check the appropriate box for the estate's residency status.

If the total gross estate is \$850,000 or less skip to Step 5.

Step 4 Tax Computation.

Note: Even if you were not required to file a federal return, you may still be liable for Maine tax if the total gross estate is greater than \$850,000. If you were not required to file a federal return and the total gross estate is \$850,000 or less, there is no Maine estate tax liability.

Line 1 Maine's portion of total gross estate.

For Maine resident estates: Subtract the value of real and tangible personal property **not** located in Maine from the total gross estate.

For Maine nonresident estates: Subtract the value of all intangible personal property and any real and tangible personal property not located in Maine from the total gross estate.

Line 2 Enter the total gross estate from federal Form 706. If no federal estate tax return was required, but the total gross estate is greater than \$850,000, complete a pro forma Form 706.

Line 3 Divide line 1 by line 2 to determine the Maine percentage of the estate. Calculate to six decimal places.

Line 4 Enter the amount of the taxable estate for federal purposes or from pro forma federal Form 706, line 3.

Line 5 To calculate the amount for this line, use a unified credit amount of \$287,300 on federal Form 706, line 9 (in place of the federal allowable amount of \$555,800) and a rate of 1.00 (instead of 0.25) on line 13. For example with an Estate valued at \$2 million:

	Federal return
Gross estate tax	\$780,800.00
Less: allowable unified credit*	<u>555,800.00</u>
Tentative federal tax (706, line 12)	225,000.00
Credit for state death tax tax (Table B amount x 0.25)	24,900.00
	Pro forma federal return for Maine purposes
Gross estate tax	\$780,800.00
Less: allowable unified credit*	<u>287,300.00</u>
Tentative federal tax (706, line 12)	493,500.00
Credit for state death tax tax (Table B amount x 1.00)	99,600.00

In this case, the amount reported on line 5 of Form 706ME is \$99,600.

* Federal Form 706, lines 9 and 11. Example assumes zero adjustment on federal Form 706, lines 4 and 10.

The amount entered on line 5 of Form 706ME, credit for state death tax, may not exceed the amount on the pro forma federal Form 706, line 12 (tentative federal tax).

Line 6 **For Maine resident estates:** Enter the amount paid other states for death taxes and attach copies of receipts or returns.

For Maine nonresident estates: Enter zero (0).

Line 7 Subtract line 6 from line 5.

Line 8 **For Maine resident estates:** Multiply line 5 by the percentage on line 3, enter that amount or the amount on line 7, whichever is greater.

For Maine nonresident estates: Multiply line 5 by the percentage on line 3 and enter the result.

Line 9a Enter the total amount of estimated payments made for this estate.

Line 9b Enter the amount of Maine estate tax paid with a copy of the Federal extension payment voucher.

Line 9c Enter the amount of Maine estate tax paid with the original return. Fill in this line only when filing an amended Maine estate tax return.

Line 9d Add lines 9a, 9b and 9c and enter the result.

Lines 10-12 Interest and penalties may apply if the return is filed, or the tax is paid, after the due date. Contact the Income/Estate Tax Division, Maine Revenue Services, for specific information necessary to complete these lines. Telephone 207-626-8480. As of January 1, 2004, interest is charged at the rate of 6% per year, compounded monthly.

a. Late filing and late payment penalties. If a past due return is filed before the receipt or within 30 days of the receipt of a demand notice, the penalty for failure to file is the greater of \$25 or 10% of the amount of tax due. If the return is filed more than 30 days after the receipt of a demand notice, the failure-to-file penalty is 100% of the tax due. For failure to pay a tax liability, the penalty is 1% of the tax liability for each month the payment is delinquent, up to a maximum of 25%.

b. Other penalties. The law also provides penalties for substantial understatement of tax, negligence, fraud and for payment of tax by check that is returned for insufficient funds.

Line 13 Enter the total due with this return. Make check payable to Treasurer, State of Maine and send to the address shown on page 2 of the form. Please write the decedent's name, social security number and "Form 706ME" on the check to ensure proper credit.

Line 14 Enter the total refund due with this return. Allow 4-6 weeks to process the refund.

Step 5 Check the appropriate box. Even if you are not required to file a federal return, you may still owe Maine estate tax. In any event, you must complete a pro forma federal Form 706 to determine Maine tax liability.

If the estate is subject to federal estate tax, you must attach a copy of federal Form 706, as filed with the IRS, to this return.

If the estate is not subject to federal estate tax, but does have a Maine estate tax liability, attach the following to the Maine Form 706ME:

1. Pro forma federal Form 706;
2. The sworn statement of the representative closing the estate, with a copy of a) the plan of distribution and b) the full account of the administration of the estate, and;
3. A copy of the inventory of the estate.

If enough documentation to support the return is available to file with the tax return, items which are not available may be excluded. Supporting documentation may include preliminary or working documentation rather than final documents. To speed return processing, preparers should send any documentation on the value of the estate that they may have. As long as there is enough documentation to support the claims on the return, Maine Revenue Services will be able to process the return without having to contact the preparer for additional information. If the estate is unable to file the return by the original due date of the return, Maine allows an automatic extension equal to any federal extension or 6 months, whichever is the longer period of time.